IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

THURSDAY, THE FIFTH DAY OF AUGUST
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE SRI DEVINDER GUPTA, THE CHIEF JUSTICE

and
THE HON'BLE Mr. JUSTICE C.V.RAMULU

WRIT PETITION NO : 13096 of 2004

Between:

K. Parimala W/o K. Gopala Krishna
R/o 1-2-234/44(B-31), New SBH Colony,

Domalguda, Hyderabad

..... PETITIONER

AND

1.Union of India, rep by Prl. Secretary Finance, Central Secretariat, New Delhi
2.Union Minister for Finance, Central Secretariat, New Delhi
3.The Regional Manager Reserve Bank of India, Southern Region Saifabad, Hyderabad
4.Chairman cum Managing Director Global Trust Bank (Regd & Corporate Office),Ashoka My Home Chambers, 1-8-303, SP Road, Secunderabad.
5.Branch Manager, Global Trust Bank, Ashok Nagar, Hyderabad 500 029.

.....RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a Writ, order, or orders more particularly one in the nature of Writ of Mandamus declaring the action of Respondent No.3 in so far as issuing order, clamping moratorium on the deposits held with 4th Respondent-Bank and ATM Centers

established across the country, instructing Respondent No.4 to allow its customers to withdraw only a sum of Rs. 10,000/- (Rupees Ten Thousand Only) at present and not permitting for further withdrawals until 23rd Oct' 2004 at the instance of 1 to 3 Respondents as amounting to highly arbitrary, illegal and unconstitutional and consequently to the direct the 1st 2nd & 3rd Respondents to issue appropriate orders, to 4 & 5th respondents for releasing minimum withdrawal amounts on the basis of Pro-rata basis and not as a fixed sum of Rs. 10,000/-.

Counsel for the Petitioner: Mr.Gopala Krishna Kalanidhi.

Counsel for the Respondents1 & 2: Mr.A.Rajasekhar Reddy

S.C. for Central Govt.

Counsel for Respondent No.3: Mr. B.Nalin Kumar

Counsel for Respondents 4 &5: None present.

The Court at the stage of admission made the following :

ORAL ORDER:

(per The Honourable Sri Devinder Gupta, the Chief Justice)

Petitioner is a depositor with Global Trust Bank in its Branch at Ashoknagar at Hyderabad, and, is aggrieved by the moratorium imposed by the Reserve Bank of India instructing Respondent No.4-Bank to allow to its customers to withdraw only a sum of Rs.10,000/-, at present, and, not permitting further withdrawals till 23.10.2004. The petitioner has a deposit of Rs.34,000/- and states that her brother is a patient of epilepsy and an amount of Rs.20,000/- is kept as an emergency reserve to meet the contingency which might arise, and, as, if the cheques given by her are not honourned, she would face serious consequences, and, thus, seeks direction to declare the action of Respondent No.3 in imposing moratorium as arbitrary, illegal and void.

Notice was directed to be issued to Respondents 4 and 5. Despite service, nobody has put in appearance.

Learned counsel for Respondent No.3 has drawn our attention to the notification dated: 24.7.2004 issued in exercise of powers conferred by sub-section (2) of Section 45 of the Banking Regulation Act, 1949 making an order of moratorium in

respect of Respondent No.4 Bank from 24.7.2004 till 23.10.2004. Clause (3) of the moratorium states that without prejudice to the conditions stipulated, Reserve Bank of India

may, by a general or special order, permit the Global Trust Bank to allow payment to its depositors an amount even in excess of Rs.10,000/- to meet unforeseen expenses in connection with the medical treatment of the depositor or any person actually dependent on him, towards the cost of higher education etc. or other expenses in connection with marriage or other ceremonies. Any other unavoidable emergencies are also included therein, for which purpose, a person like the petitioner has to first approach the Global Trust Bank who has to seek general or special order from the Reserve Bank of India.

Considering the need and grievance of the writ petitioner, we are of the view that by keeping the larger questions, which have been raised about the validity and legality of the moratorium order, open, Writ Petition itself can be disposed of with direction that in the event of the petitioner applying to Respondent-4 Bank making out a case as stipulated in paragraph 3 of the notification, such a prayer will be duly considered and it will be forwarded by the Global Trust Bank to Respondent No.3 for appropriate special order to be passed in the facts and circumstances of the case. From the date of the receipt of the representation from the petitioner, the Global Trust Bank will forward the petitioner's case to the Reserve Bank of India within a period of one week, and, within a period of two weeks thereafter, decision shall be taken by the Reserve Bank of India.

The Writ Petition stands disposed of accordingly. No costs.

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DEVINDER GUPTA, C.J.

05.08.2004.

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C.V.RAMULU, J.

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NOTE:

Issue cc by tomorrow.

(BO)

VR.

To

1.The Principal Secretary (Finance), Union of India, Central Secretariat, New Delhi.
2.Union Minister for Finance, Central Secretariat, New Delhi
3.The Regional Manager, Reserve Bank of India, Southern Region, Saifabad, Hyderabad
4.Chairman-cum-Managing Director Global Trust Bank (Regd & Corporate Office), Ashoka My Home Chambers, 1-8-303, SP Road, Secunderabad.
5.Branch Manager, Global Trust Bank, Ashok Nagar, Hyderabad 500 029.

6. Two CD copies.